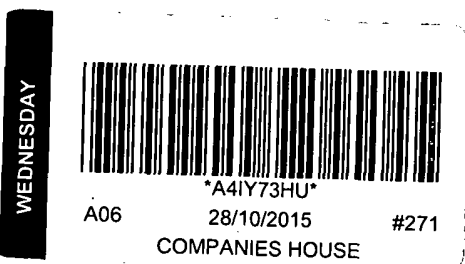


Company Registration No. 06517986 (England and Wales)

**APS GROUP LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 JANUARY 2015**



# APS GROUP LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	N J Snelson G Jones E J Snelson (Appointed 17 June 2014)
<b>Secretary</b>	G Jones
<b>Company number</b>	06517986
<b>Registered office</b>	Chetham House Bird Hall Lane Cheadle Heath Cheadle Cheshire SK3 0ZP
<b>Registered auditors</b>	Booth Ainsworth LLP Alpha House 4 Greek Street Stockport Cheshire SK3 8AB

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# APS GROUP LIMITED

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# APS GROUP LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2015

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*"APS Group is an international marketing services company providing an integrated communication platform and customer experience capability to global brands. The group provides contracted services to a range of customers across a broad spectrum of business sectors. It has specifically targeted propositions for the financial services, retail, public and automotive sectors.*

*The customer solutions APS delivers are underpinned by a broad range of services supported by great people, enabling technology and significant infrastructure. Our group is differentiated in the marketplace by its ability to integrate services and solutions which reduce complexity, deliver efficiencies, improve speed and maximise return for our customers."*

A handwritten signature in black ink, appearing to be 'N J Snelson'.

N J Snelson

Director

23/10/2015

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### Performance and Development

This has been a successful year for APS Group. We have continued to grow and diversify into new markets whilst supporting an ongoing programme of transformation and business expansion.

The continued innovation of APS Group services reflects the range and choice of marketing routes available to our clients when engaging with their customers. Our success in retaining and building customer relationships and our ability to develop new business reflects our strength in effective and innovative account management; a culture committed to excellence in customer service and the continued development of our integrated technology platform. As a result we are pleased to be able to report a strong set of results in respect of this year's performance, which reflect our continued investment in the APS Group proposition.

Overall sales increased from £75.5m in the year to January 2014 to £82.8m in the year to January 2015 (+9.77%) with gross profit increasing in those periods from £12.3m to £12.6m (+2.07%). Gross profit margin during the year decreased from 16.30% to 15.15%, mainly as a result of the early costs of commissioning of new production services. Overheads during the year have also increased from £9.39m to £10.27m (+9.31%). This reflects a planned strategy to develop our proposition in key market sectors and position APS Group for significant future growth. As a result profit before tax has reduced from £2.6m to £2.0m (-22%) in the period under review. Our consolidated balance sheet remains strong with shareholders' funds increasing in line with retained earnings.

# **APS GROUP LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2015**

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### **Position of Group**

Throughout the year APS Group has continued to innovate, invest and diversify, anticipating change in the marketplace and growing organically as a direct result of its strategy to be the owner of the customer relationship. By delivering on its promises and developing customer-centric solutions APS Group has continued to be successful in retaining and developing its key client relationships.

During the year APS Group has continued to build on its financial strength by investing against a series of defined objectives with the aim of supporting significant future growth.

Central to this strategy has been the development of our brand and service proposition. "Make more possible" embraces the spirit of the business and has universal resonance across all stakeholders – our customers, our people, our supply partners and our communities. This promise and our clearly identified brand personality – honest, open, passionate, energetic, ambitious and committed – form the basis for developing our service lines. This was achieved through a mixture of organic development and acquisition in four key areas – marketing solutions, retail solutions, secure solutions and data communications. Our investments in these areas have broadened our service proposition whilst building in significant capacity for future growth.

We have continued to invest in our integrated technology platform which provides enabling and intuitive marketing operations systems to our customers across all market sectors, and are confident that this capability, supported by enhanced sales and marketing capability, will drive further profitable growth.

Diversification of geographic markets has continued throughout the period. Following the successful integration of APS Group BV we have expanded our European footprint to seven locations. By focussing this expansion on customer requirements we have succeeded in minimising costs of entry whilst establishing a network of in-country expertise on which to build future growth.

### **Principal Risks**

APS Group has a reputation for successfully delivering challenging and complex projects. It is this success which has underpinned our ability to diversify into new customer sectors; develop and implement integrated technology solutions; and assist our customers to reduce complexity, deliver efficiencies and maximise return on investment. Nevertheless, the ongoing challenge is the management and implementation of significant change whilst continuing to service and retain existing customers.

Managing change is heavily dependent on the people employed in the business and on the introduction of new and complimentary skills to allow APS to move forward. Business change is a core competency of the business and is supported by a dedicated project solutions team. We continue to invest in training and professional development and in the recruitment of high-calibre people with the necessary skills and proven capabilities.

Customer retention continues to command a strong focus across all our business operations. It not only underpins APS Group's commitment to customer satisfaction, but enables APS Groups' own clients to innovate and maintain strong and effective communication with their own customers and stakeholders. Our high levels of success in retaining customers is a measure of our ability to innovate and develop our service proposition.

# **APS GROUP LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2015***

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### **Looking Ahead**

APS Group's success to date has been driven by a hard-working, talented and dedicated team of managers and employees. We are indebted to them for all they have done to make more possible for APS Group and for our customers.

By leveraging its investment to date, continuing its development of customer solutions and growing its geographic footprint the Group intends to maximise the opportunities presented by marketplace optimism and consolidation both in the UK and internationally. The Group will continue to strive to create value and provide opportunities for all our customers and stakeholders to share in the company's success by targeting growth and delivering strong financial performances.

# **APS GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2015**

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The directors present their report and financial statements for the year ended 31 January 2015.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 8.

#### **Post balance sheet events**

600,000 £1 preference shares were redeemed by the company on 3 March 2015 at par.

#### **Directors**

The following directors have held office since 1 February 2014:

N J Snelson

G Jones

E J Snelson

(Appointed 17 June 2014)

#### **Employee involvement**

The group's policy is to consult and discuss with employees matters likely to affect employee's interests.

#### **Disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. Arrangements are made, wherever possible, for retraining employees who become disabled.

#### **Creditor payment policy**

Creditors are paid according to their terms.

#### **Auditors**

The auditors, Booth Ainsworth LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# APS GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2015**

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



.....  
N J Snelson

Director

23/10/2015  
.....



# **APS GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF APS GROUP LIMITED**

---

We have audited the group and parent company financial statements (the "financial statements") of APS Group Limited for the year ended 31 January 2015 set out on pages 8 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 January 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# APS GROUP LIMITED

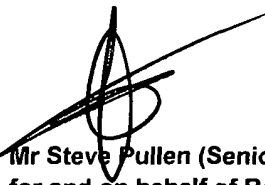
## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF APS GROUP LIMITED

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Steve Pullen (Senior Statutory Auditor)  
for and on behalf of Booth Ainsworth LLP

Chartered Accountants  
Statutory Auditor

*26 October 2015*

Alpha House  
4 Greek Street  
Stockport  
Cheshire  
SK3 8AB

# APS GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2015

	Notes	2015 £	2014 £
Turnover	2	82,817,587	75,447,463
Cost of sales		(70,267,111)	(63,151,922)
<b>Gross profit</b>		12,550,476	12,295,541
Administrative expenses		(10,268,581)	(9,394,031)
<b>Operating profit</b>	3	2,281,895	2,901,510
Other interest receivable and similar income		95,840	14,616
Interest payable and similar charges	5	(377,087)	(337,953)
<b>Profit on ordinary activities before taxation</b>		2,000,648	2,578,173
Tax on profit on ordinary activities	4	(440,516)	(700,773)
<b>Profit on ordinary activities after taxation</b>		1,560,132	1,877,400
Minority interests		(108,176)	(69,205)
<b>Profit for the financial year</b>	7	1,451,956	1,808,195

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# APS GROUP LIMITED

## STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JANUARY 2015

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	2015 £	2014 £
Profit for the financial year	1,560,132	1,877,400
Currency translation differences on foreign currency net investments	45,737	2,836
Total recognised gains and losses relating to the year	<u>1,605,869</u>	<u>1,880,236</u>

# APS GROUP LIMITED

## BALANCE SHEETS

AS AT 31 JANUARY 2015

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
<b>Fixed assets</b>					
Intangible assets	6	1,509,198	1,397,457	-	-
Tangible assets	9	14,955,104	11,498,862	-	-
Investments	8	-	-	13,740,230	13,533,105
		<u>16,464,302</u>	<u>12,896,319</u>	<u>13,740,230</u>	<u>13,533,105</u>
<b>Current assets</b>					
Stocks	10	3,841,183	4,061,470	-	-
Debtors	11	22,526,875	18,187,375	1,201,417	1,451,051
Investments	12	500,000	-	500,000	-
Cash at bank and in hand		18,994,421	5,402,600	262	35,011
		<u>45,862,479</u>	<u>27,651,445</u>	<u>1,701,679</u>	<u>1,486,062</u>
<b>Creditors: amounts falling due within one year</b>	13	(44,039,994)	(25,328,735)	(4,834,552)	(3,862,660)
<b>Net current assets</b>		<u>1,822,485</u>	<u>2,322,710</u>	<u>(3,132,873)</u>	<u>(2,376,598)</u>
<b>Total assets less current liabilities</b>		<u>18,286,787</u>	<u>15,219,029</u>	<u>10,607,357</u>	<u>11,156,507</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(4,125,645)	(2,543,421)	(600,000)	(1,000,000)
<b>Provisions for liabilities</b>	15	(60,701)	(181,036)	-	-
		<u>14,100,441</u>	<u>12,494,572</u>	<u>10,007,357</u>	<u>10,156,507</u>
<b>Capital and reserves</b>					
Called up share capital	16	10,000	10,000	10,000	10,000
Share premium account	17	6,656,667	6,656,667	6,656,667	6,656,667
Revaluation reserve	17	649,090	649,090	-	-
Profit and loss account	17	6,807,989	5,310,296	3,340,690	3,489,840
<b>Shareholders' funds</b>	19	<u>14,123,746</u>	<u>12,626,053</u>	<u>10,007,357</u>	<u>10,156,507</u>
<b>Minority interests</b>	18	(23,305)	(131,481)	-	-
		<u>14,100,441</u>	<u>12,494,572</u>	<u>10,007,357</u>	<u>10,156,507</u>

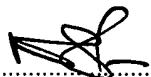
# **APS GROUP LIMITED**

## **BALANCE SHEETS (CONTINUED)**

**AS AT 31 JANUARY 2015**

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Approved by the Board and authorised for issue on 23/10/2015



.....  
N J Snelson  
Director

**Company Registration No. 06517986**

# APS GROUP LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2015

	2015	2014
£	£	£
<b>Net cash inflow from operating activities</b>	17,804,519	5,855,601
<b>Returns on investments and servicing of finance</b>		
Interest received	95,840	14,616
Interest paid	(139,978)	(183,949)
Non equity dividends paid	(66,000)	(18,000)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(110,138)	(187,333)
<b>Taxation</b>	(333,782)	(423,736)
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(218,938)	-
Payments to acquire tangible assets	(3,436,825)	(3,330,833)
Receipts from sales of tangible assets	287,706	956,955
<b>Net cash outflow for capital expenditure</b>	(3,368,057)	(2,373,878)
<b>Net cash inflow before management of liquid resources and financing</b>	13,992,542	2,870,654
<b>Management of liquid resources</b>		
Current asset investments	(500,000)	-
	(500,000)	-
<b>Financing</b>		
Preference shares repaid	(400,000)	-
New long term bank loan	1,768,484	1,774,300
Repayment of long term bank loan	(895,206)	(1,184,671)
Capital element of hire purchase contracts	(373,999)	-
<b>Net cash inflow from financing</b>	99,279	589,629
<b>Increase in cash in the year</b>	13,591,821	3,460,283

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2015

1	Reconciliation of operating profit to net cash inflow from operating activities	2015		2014	
		£		£	
	Operating profit	2,281,895		2,901,510	
	Depreciation of tangible assets	1,892,997		1,003,748	
	Amortisation of intangible assets	107,099		99,248	
	(Loss)/profit on disposal of tangible assets	37,696		(366,509)	
	Decrease/(increase) in stocks	220,287		(2,435,352)	
	Increase in debtors	(4,588,746)		(6,929,396)	
	Increase in creditors within one year	17,799,935		11,576,537	
	Net effect of foreign exchange differences	53,356		5,815	
	<b>Net cash inflow from operating activities</b>	<b>17,804,519</b>		<b>5,855,601</b>	
2	Analysis of net funds	1 February 2014	Cash flow	Other non-cash changes	31 January 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	5,402,600	13,591,821	-	18,994,421
	Liquid resources:				
	Current asset investments	-	500,000	-	500,000
	Finance leases	-	(1,871,338)	-	(1,871,338)
	Debts falling due within one year	(607,695)	(201,393)	-	(809,088)
	Debts falling due after one year	(2,543,421)	(271,885)	-	(2,815,306)
		(3,151,116)	(2,344,616)	-	(5,495,732)
	<b>Net funds</b>	<b>2,251,484</b>	<b>11,747,205</b>	<b>-</b>	<b>13,998,689</b>
3	Reconciliation of net cash flow to movement in net funds	2015		2014	
		£		£	
	Increase in cash in the year	13,591,821		3,460,283	
	Cash outflow from increase in liquid resources	500,000		-	
	Cash inflow from increase in debt	(2,344,616)		(589,629)	
	<b>Movement in net funds in the year</b>	<b>11,747,205</b>		<b>2,870,654</b>	
	Opening net funds/(debt)	2,251,484		(619,170)	
	<b>Closing net funds</b>	<b>13,998,689</b>		<b>2,251,484</b>	



# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 January 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	nil
Plant and machinery	Between 33% pa on cost and 20% pa on written down value
Computer equipment	
Fixtures, fittings & equipment	Between 33% pa on cost and 20% pa on written down value
Motor vehicles	25% per annum on cost

Freehold land and buildings are held at valuation in accordance with FRS 15. Consequently, no depreciation is applied to freehold buildings.

#### 1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

### 1 Accounting policies

(Continued)

#### 1.9 Stock and work in progress

Raw material stock is valued at the lower of cost and net realisable value.

Revenue from work in progress is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Work in progress and finished goods are therefore valued at selling price.

#### 1.10 Pensions

Contributions payable are charged to the profit and loss account in accordance with the rules of the scheme.

#### 1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account. Foreign currency differences arising on consolidation are taken to the Statement of Total Recognised Gains and Losses.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2015 £	2014 £
<b>Geographical segment</b>		
UK	64,359,036	63,786,770
EC	18,458,552	11,660,693
	<u>82,817,588</u>	<u>75,447,463</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

<b>3</b>	<b>Operating profit</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	107,099	99,248
	Depreciation of tangible assets	1,892,997	1,003,748
	Loss on disposal of tangible assets	37,696	-
	Loss on foreign exchange transactions	6,475	-
	Operating lease rentals		
	- Plant and machinery	117,106	62,576
	- Other assets	-	(2,082)
	and after crediting:		
	Profit on disposal of tangible assets	-	(366,509)
		<u>          </u>	<u>          </u>
	<b>Auditors' remuneration</b>		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £10,250; 2014: £10,050)	35,600	34,400
	Fees payable to the group's auditor for non audit services:		
	- Taxation	10,450	9,050
	- Pension scheme	1,400	1,325
		<u>          </u>	<u>          </u>
		<u>47,450</u>	<u>44,775</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

4	Taxation	2015 £	2014 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	529,404	549,401
	<b>Total current tax</b>	<u>529,404</u>	<u>549,401</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(88,888)	150,845
	Deferred tax adjustments arising in previous periods	-	527
		<u>(88,888)</u>	<u>151,372</u>
		<u>440,516</u>	<u>700,773</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>2,000,648</u>	<u>2,578,173</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.32% (2014 - 23.16%)	<u>426,538</u>	<u>597,105</u>
	Effects of:		
	Non deductible expenses	46,737	18,443
	Depreciation add back	319,589	250,416
	Capital allowances	(340,316)	(282,824)
	Tax losses to be utilised	-	(33,739)
	Foreign tax adjustments	31,617	-
	General provisions	45,239	-
		<u>102,866</u>	<u>(47,704)</u>
	<b>Current tax charge for the year</b>	<u>529,404</u>	<u>549,401</u>
5	<b>Interest payable</b>	<b>2015 £</b>	<b>2014 £</b>
	On bank loans and overdrafts	64,159	109,814
	Hire purchase interest	114,128	62,477
	Preference share dividends	66,000	18,000
	Other interest	132,800	147,662
		<u>377,087</u>	<u>337,953</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 6 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 February 2014	2,060,037
Additions	218,939
At 31 January 2015	<u>2,278,976</u>
<b>Amortisation</b>	
At 1 February 2014	662,580
Charge for the year	107,198
At 31 January 2015	<u>769,778</u>
<b>Net book value</b>	
At 31 January 2015	<u>1,509,198</u>
At 31 January 2014	<u>1,397,457</u>

### 7 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2015 £	2014 £
Holding company's loss for the financial year	<u>(149,150)</u>	<u>(158,568)</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 8 Fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 February 2014	13,533,105
Additions	207,125
At 31 January 2015	13,740,230
<b>Net book value</b>	
At 31 January 2015	13,740,230
At 31 January 2014	13,533,105

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Allied Publicity Services (Manchester) Ltd	England	ordinary	100.00
APS Group BV	Netherlands	ordinary	87.00
APS Group Secure Solutions Limited	England	ordinary	100.00
APS Group Property Solutions Limited	England	ordinary	100.00
APS Group (Scotland) Limited	Scotland	ordinary	100.00
APS Group Sverige AB	Sweden	ordinary	100.00
APS Group Suomi Oy	Finland	ordinary	100.00
APS Group Italia SRL	Italy	ordinary	100.00
APS Group France SAS	France	ordinary	100.00
Radius Management Services Limited	England	ordinary	100.00
Philip Myers Press (Holdings) Limited	England	ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Allied Publicity Services (Manchester) Ltd	Print management services
APS Group BV	Print management services
APS Group Secure Solutions Limited	Secure printing and data communications
APS Group Property Solutions Limited	Provision of premises
APS Group (Scotland) Limited	Print management services
APS Group Sverige AB	Print management services
APS Group Suomi Oy	Print management services
APS Group Italia SRL	Print management services
APS Group France SAS	Print management services

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 8 Fixed asset investments

(Continued)

Radius Management Services Limited  
Philip Myers Press (Holdings) Limited

Business consultancy services  
Print services

### 9 Tangible fixed assets

#### Group

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 February 2014	6,490,000	8,862,273	3,653,727	146,339	19,152,339
Exchange differences	-	(7,619)	-	-	(7,619)
Additions	-	4,926,863	721,697	33,700	5,682,260
Disposals	-	(1,336,000)	-	(85,097)	(1,421,097)
At 31 January 2015	6,490,000	12,445,517	4,375,424	94,942	23,405,883
<b>Depreciation</b>					
At 1 February 2014	-	4,664,473	2,850,206	138,798	7,653,477
On disposals	-	(1,017,422)	-	(78,273)	(1,095,695)
Charge for the year	-	1,465,162	414,257	13,578	1,892,997
At 31 January 2015	-	5,112,213	3,264,463	74,103	8,450,779
<b>Net book value</b>					
At 31 January 2015	6,490,000	7,333,304	1,110,961	20,839	14,955,104
At 31 January 2014	6,490,000	4,197,800	803,521	7,541	11,498,862

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 9 Tangible fixed assets

(Continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Net book values</b>				
At 31 January 2015	5,289,762	-	-	5,289,762
At 31 January 2014	2,646,988	-	-	2,646,988
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation charge for the year</b>				
31 January 2015	1,102,347	-	-	1,102,347
31 January 2014	315,451	-	2,733	318,184
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The land and buildings were revalued on 10 April 2014 at £6,490,000 by GVA Grimley International Property Advisers at open market value. The directors consider that this valuation is appropriate at the year end.

### 10 Stocks and work in progress

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials and consumables	2,315,439	2,592,283	-	-
Work in progress	1,301,841	1,355,538	-	-
Finished goods and goods for resale	223,903	113,649	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,841,183	4,061,470	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 11 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	18,589,824	15,849,320	-	-
Amounts owed by group undertakings	-	-	1,201,417	1,326,051
Corporation tax	145,268	394,514	-	-
Called up share capital not paid	301	301	-	-
Other debtors	1,692,339	750,244	-	125,000
Prepayments and accrued income	2,099,143	1,192,996	-	-
	<u>22,526,875</u>	<u>18,187,375</u>	<u>1,201,417</u>	<u>1,451,051</u>

### 12 Current asset investments

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other listed investments	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>

### 13 Creditors : amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	809,088	607,695	-	-
Net obligations under finance lease and hire purchase contracts	560,999	-	-	-
Trade creditors	10,169,233	10,634,501	-	-
Amounts owed to group undertakings	-	-	3,669,662	-
Corporation tax	196,195	218,372	3,330	-
Taxes and social security costs	1,999,257	519,064	26,560	26,760
Other creditors	2,016,340	4,475,616	1,135,000	3,820,000
Accruals and deferred income	28,288,882	8,873,487	-	15,900
	<u>44,039,994</u>	<u>25,328,735</u>	<u>4,834,552</u>	<u>3,862,660</u>
Debt due in one year or less	<u>759,119</u>	<u>508,740</u>	<u>-</u>	<u>-</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2015

#### 14 Creditors : amounts falling due after more than one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans	2,215,306	1,543,421	-	-
Net obligations under finance leases and hire purchase agreements	1,310,339	-	-	-
Preference shares classed as a financial liability	600,000	1,000,000	600,000	1,000,000
	<u>4,125,645</u>	<u>2,543,421</u>	<u>600,000</u>	<u>1,000,000</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	3,024,394	2,151,116	-	-
Included in current liabilities	(809,088)	(607,695)	-	-
	<u>2,215,306</u>	<u>1,543,421</u>	<u>-</u>	<u>-</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	835,229	453,515	-	-
In more than two years but not more than five years	1,393,732	1,089,906	-	-
	<u>2,215,306</u>	<u>1,543,421</u>	<u>-</u>	<u>-</u>

The loans are secured by fixed and floating charges over the assets to which they relate. They are repayable in monthly instalments, and interest is payable at variable rates between 0.85% and 2.3% above the bank's base rate.

The redeemable preference shares are redeemable with thirteen months notice. A dividend of 1.5% above base rate (subject to a minimum of 3%) is payable in arrears on 31 July and 31 January. The rights of the shares are set out in the company's Articles of Association.

During the year 400,000 £1 preference shares were redeemed by the company at par.

#### Net obligations under finance leases and hire purchase contracts

Repayable within one year	560,998	-	-	-
Repayable between one and five years	1,310,340	-	-	-
	<u>1,871,338</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(560,999)	-	-	-
	<u>1,310,339</u>	<u>-</u>	<u>-</u>	<u>-</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2015

#### 15 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 February 2014	181,036
Profit and loss account	(120,335)
Balance at 31 January 2015	<u>60,701</u>

The deferred tax liability is made up as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Accelerated capital allowances	103,850	182,156	-	-
Other timing differences	(43,149)	(1,120)	-	-
	<u>60,701</u>	<u>181,036</u>	<u>-</u>	<u>-</u>

#### 16 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 10,000 ordinary of £1 each	<u>10,000</u>	<u>10,000</u>

#### 17 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 February 2014	6,656,667	649,090	5,310,296
Profit for the year	-	-	1,451,956
Foreign currency translation differences	-	-	45,737
Balance at 31 January 2015	<u>6,656,667</u>	<u>649,090</u>	<u>6,807,989</u>

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

### 17 Statement of movements on reserves

(Continued)

#### Company

	Share premium account £	Profit and loss account £
Balance at 1 February 2014	6,656,667	3,489,840
Loss for the year	-	(149,150)
Balance at 31 January 2015	6,656,667	3,340,690

### 18 Minority interests

	2015 £	2014 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	(23,305)	(131,481)

### 19 Reconciliation of movements in shareholders' funds

Group	2015 £	2014 £
Profit for the financial year	1,451,956	1,808,195
Other recognised gains and losses	45,737	651,926
Net addition to shareholders' funds	1,497,693	2,460,121
Opening shareholders' funds	12,626,053	10,165,932
Closing shareholders' funds	14,123,746	12,626,053

Company	2015 £	2014 £
Loss for the financial year	(149,150)	(158,568)
Net depletion in shareholders' funds	(149,150)	(158,568)
Opening shareholders' funds	10,156,507	10,315,075
Closing shareholders' funds	10,007,357	10,156,507

# APS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 20 Financial commitments

At 31 January 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	17,688	-	6,351	-
Between two and five years	569,759	524,400	173,808	38,859
In over five years	95,833	-	-	-
	<u>683,280</u>	<u>524,400</u>	<u>180,159</u>	<u>38,859</u>

### 21 Capital commitments

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Contracted for but not provided in the financial statements	<u>213,313</u>	<u>2,138,913</u>	<u>-</u>	<u>-</u>

### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2015	2014
	Number	Number
Directors & employees	<u>634</u>	<u>604</u>

#### Employment costs

	2015	2014
	£	£
Wages and salaries	20,061,485	18,402,929
Social security costs	1,760,594	1,592,852
Other pension costs	408,855	330,225
	<u>22,230,934</u>	<u>20,326,006</u>

## APS GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

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23	Directors' remuneration	2015 £	2014 £
	Remuneration for qualifying services	171,779	210,600
		<u>171,779</u>	<u>210,600</u>

#### 24 Control

The company is controlled by N J Snelson, a director of the company.

#### 25 Post Balance Sheet Events

##### Group

600,000 £1 preference shares were redeemed by the company on 3 March 2015 at par.

## **APS GROUP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JANUARY 2015**

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#### **26 Related party relationships and transactions**

##### **Group**

Amounts of £1,135,000 (2014 £1,820,000) and £nil (2014 £2,000,000) were due to R H Snelson and M Snelson respectively, directors of Allied Publicity Services (Manchester) Limited, at the year end.

Interest on these loans of £72,800 and £60,000 was paid to R H Snelson and M Snelson respectively during the year.

The £600,000 (2014 £1,000,000) redeemable preference shares, shown as debt in the accounts, are held by N J Snelson, a director of Allied Publicity Services (Manchester) Limited. Dividends of £66,000 paid in the year are included in interest payable. These shares were redeemed post year end.

Included in the accounts of Allied Publicity Services (Manchester) Limited are amounts payable to each of the following individuals, who are directors of that company: M Snelson £375,184 (2014 £355,535), G Snelson £195,281 (2014 £205,513), N J Snelson £229,918 (2014 £43,024) and R H Snelson £3,641 (2014 debtor of £43,440).

Interest on these loans of £8,235, £5,265, £nil and £32 was paid to M Snelson, G Snelson, N J Snelson and R H Snelson respectively in the prior year. No interest has been paid in the current year.

Included in the accounts of Allied Publicity Services (Manchester) Limited are amounts receivable of £380,000 (2014 £380,000) due from Protego Group Limited, a company in which directors, N J Snelson and G Jones, have an interest as directors and shareholders.

At the year end a company share option scheme was in place. Options have been granted over 858 ordinary shares in APS Group Limited. The options are only exercisable under specific circumstances.